

The Ministry of Foreign Affairs of the Government of Mongolia presents its compliments to the Embassy of the United States of America and acknowledges the receipt of the Embassy's note number 132/2003, dated August 11, 2003 which reads as follows:

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Government of Mongolia and has the honor to refer to earlier discussions between representatives of the two Governments regarding grants under the Foreign Assistance Act of 1961, as amended, or successor legislation, and the furnishing of defense articles, related training to include training related to defense articles under the United States International Military and Education Training Program, and other defense services from the United States of America to the Giovernment of Mongolia.

In accordance with these discussions, it is proposed that the Government of Mongolia agree :

- A. That unless the consent of the Government of the United States of America has first been obtained the Government of Mongolia shall not:
  - (I) Permit any use of such defense articles or related training including training materials or other defense services by anyone not an officer, employee or agent of the Government of Mongolia;
  - (II) Transfere or permit any officer, employee or agent of the Government of Mongolia to transfere such articles or related training including training materials or other defense services by gift, sale or otherwise; or
  - (III) Use of permit the use of such articles or related military training including training materials or other defense services for the purposes other than those for which provided;
- B. That said, articles or related training, including training materials or defense services shall be returned to the Government of the United States of America when they are no longer needed for the purposes for which they were furnished, unless the Government of the United States of America consents to another disposition;

THE EMBASSY OF THE UNITED STATES OF AMERICA IN MONGOLIA ULAANBAATAR

- C. That the net proceeds of sale received by the Government of Mongolia in disposing of, with prior written consent of the Government of the United States of America, any defense article furnished by the Government of the United States of America on a grant basis, including scrap from any such defense article, shall be paid to the Government of the United States of America;
- D. That the Government of Mongolia shall maintain the security of such articles, related training including training materials, and other defense services; that it shall provide substantially the same degree of security protection afforded to such articles or related training including training materials or other defense services by the Government of the United States of America; that it shall, as the United States of America may require, permit continuous observation and review by, and furnish necessary information to, representatives of the Government of the United States of America with regard to the use thereof by the Government of Mongolia: and
- E. That the Government of the United States of America may also from time to time make provision of articles, services, and related training furnished under other authority (except the United States Arms Export Control Act) subject to the terms and conditions of this agreement. (Transfers under the United States Arms Export Control Act shall continue to be governed by the requirements of that Act and United States Regulations applicable to such transfers.)

The Ministry of Foreign Affairs note stating that the foregoing is acceptable to the Government of Mongolia shall, together with this note, constitute an agreement between the two governments, which shall enter into force on the date of the Ministry's reply.

The Embassy of the United States of America avails itself of this opportunity to renew to the Ministry of Foreign Affairs of the Government of Mongolia of its highest considerations

End quote.

The Ministry of Foreign Affairs of the Government of Mongolia has the honor to confirm that the proposals set forth in the Embassy's note are acceptable to the Government of Mongolia and that the Embassy's note and this note in reply shall constitute an agreement between the two Governments which shall enter into force on this date.

The Ministry of Foreign Affairs of the Government of Mongolia avails itself of this opportunity to renew to the Embassy of the United States of America of its highest consideration.

July2字, 2005